



JUL - 7 2005

The Honorable Kathleen Sebelius
Governor of Kansas
State Capitol
2nd Floor
Topeka, Kansas 66612-1590

Dear Governor Sebelius:

It is with pleasure that I respond to the State of Kansas' request for waivers of statutory and regulatory requirements under the Workforce Investment Act (WIA). This action is taken under the Secretary's authority to waive certain requirements of WIA Title I, subtitles B and E and Sections 8-10 of the Wagner-Peyser Act. In the Strategic State Plan for Title I of the Workforce Investment Act and the Wagner-Peyser Act for the two-year period, July 1, 2005, through June 30, 2007, the state submitted three requests for waivers. The requests are written in the format identified in WIA Section 189(i)(4)(B) and 20 CFR 661.420(c) and appear to meet the standard for approval at 20 CFR 661.420(e). The following is the disposition of the state's waiver submission (copy enclosed).

Requested Waiver 1: Waiver to permit use of up to 10 percent of local area formula funds in the same manner as statewide funds.

The State of Kansas is granted a waiver of the language that limits the authority to provide the activities identified in WIA Section 134 to the state. This waiver will permit local areas to request to use up to 10 percent of local area formula allocation funds for adults, dislocated workers and youth to provide statewide employment and training activities identified at WIA Section 134, through June 30, 2007.

Requested Waiver 2: Waiver to allow the Governor to implement an expenditure-based de-obligation and reallocation policy.

The state proposes to require local expenditure rates at these levels by the end of each program year: a) 80 percent of formula funds for the Adult program; b) 80 percent of formula funds for the Youth program; c) 85 percent of formula funds for the Dislocated Worker program; and d) 80 percent of formula funds for local administration. The state indicates that this waiver will ensure maximum use of funds, promote more effective and integrated service delivery, and improve

administrative efficiencies. Based on the state's request, we are granting a waiver of the recapture and reallocation provisions of WIA Sections 128(c)(2) and 133(c)(2) and 20 CFR 667.160 to permit the state to implement its proposed policy as outlined in the request.

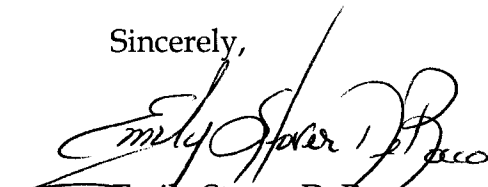
Requested Waiver 3: Waiver to increase transfer authority of Local Workforce Investment Boards from the current 30 percent to 100 percent for Adult and Dislocated Worker funds.

Requested waiver 1 and this waiver request for funds transferability are consistent with the flexibility improvements the Administration is seeking in the reauthorization of the Workforce Investment Act through the consolidation of the WIA Adult, WIA Dislocated Worker and Wagner-Peyser Act (Employment Service) funding streams. Accordingly, the state of Kansas is granted a waiver of the funds transfer limitation at WIA Section 133(b)(4), through June 30, 2007. The waiver allows the state to approve local area requests to transfer up to 100 percent of local area allocations between the WIA Adult and Dislocated Worker programs.

As provided for under paragraph 3 of the executed Agreement, the approved waivers are incorporated by reference into the state's WIA Grant Agreement. A copy of this letter should be filed with the state's WIA Grant Agreement and the state's Strategic Plan, as appropriate.

We look forward to continuing our partnership with you and achieving better workforce investment outcomes. We are prepared to entertain other state and local-level waiver requests that you may wish to submit, consistent with the provisions of the WIA statute and regulations.

Sincerely,



Emily Stover DeRocco

Enclosure